

AMENDED IN ASSEMBLY JANUARY 28, 2003

AMENDED IN ASSEMBLY JANUARY 23, 2003

CALIFORNIA LEGISLATURE—2003–04 FIRST EXTRAORDINARY SESSION

## ASSEMBLY BILL

**No. 11**

**Introduced by Assembly Member Oropeza**

January 23, 2003

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An act ~~relating to health programs~~ to amend Section 16320 of the Government Code, to amend Sections 21682 and 21683.1 of the Public Utilities Code, to repeal Section 10903 of the Revenue and Taxation Code, and to amend Section 6 of Chapter 213 of the Statutes of 2000, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

AB 11, as amended, Oropeza. Reductions in the Budget Act of 2002 relating to ~~health programs~~ state government.

~~This bill would express the intent of the Legislature to implement reductions in the Budget Act of 2002 relating to health programs.~~

(1) Existing law provides that moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2002–03 fiscal year budget shortfall.

This bill would provide that, in addition, moneys in the State Treasury may be loaned from one state fund or account to any other state fund or account to address the 2001–02 and 2003–04 fiscal year budget shortfalls.

(2) Existing law provides that these loans must be authorized by the 2002 Budget Act.

*This bill would provide, in addition, that these loans may be authorized by legislation enacted in a 2003–04 Extraordinary Session, or in the 2003 Budget Act.*

*(3) Existing law requires the Department of Corrections and the Department of the Youth Authority to provide 16 weeks of training to each correctional peace officer cadet. This training is required to be completed by the cadet prior to his or her assignment to a post or position as a correctional peace officer.*

*This bill would instead provide that if an agreement is reached between the Department of Corrections and the bargaining unit for the correctional peace officers with the approval of the Commission on Correctional Peace Officer Standards and Training on how to implement the on-the-job training requirements of the bill, the training by the Department of Corrections would be 12 weeks of the training at the department's training academy and 4 weeks at the institution where the cadet is assigned to a post or position. This bill would also provide that cadets would be sworn in as correctional peace officers upon the completion of the initial 12 weeks of training.*

*(4) Under the Federal Aviation Administration Authorization Act of 1994, airport sponsors may submit applications to the Secretary of Transportation for financial assistance for airport improvement projects. Under the act, upon approval by the Secretary of Transportation, the United States government may pay for certain project costs.*

*Existing law establishes the Aeronautics Account in the State Transportation Fund and requires the Department of Transportation to establish individual revolving fund subaccounts for eligible airports in the Aeronautics Account. Existing law requires that funds in the account be paid to certain public entities owning and operating an airport for projects for airport and aviation purposes, as defined, or operation and maintenance purposes, as defined. Existing law authorizes any balance remaining in the fund to be used as a portion of the local match for federal Airport Improvement Program grants for general aviation airports, as defined, or reliever airports, as defined. Existing law prohibits the California Transportation Commission from allocating funds until the federal grant offer is accepted by the public entity. Existing law authorizes the Department of Transportation, until December 31, 2006, upon allocation of the funds by the commission, to pay a public entity 10% of the local matching share of a federal Airport*



*Improvement Program grant for security projects, as defined, at small general aviation airports, as defined.*

*This bill would provide that the balance of funds in the Aeronautics Account credited to airport subaccounts may be transferred to the General Fund, upon appropriation by the Legislature and that the credit of funds to subaccounts is suspended for the 2003–04 fiscal year. The bill would further provide that in allocating funds for use in providing a portion of the local match for federal Airport Improvement Program grants, the commission is required to give highest priority to grants for security projects.*

*(5) The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state in the amount of 2% of the market value of that vehicle, as specified. Notwithstanding those provisions, the Vehicle License Fee Law provides for a vehicle license fee offset of 67.5%, and for vehicle license fees with a due date prior to July 1, 2001, requires a portion of that offset to be paid in the form of a rebate. Existing law provides, for the 2000–01 and 2001–02 fiscal years, that the rebate portion of this offset be paid from moneys in the Special Reserve Fund for Vehicle License Fee Tax Relief.*

*This bill would abolish the Special Reserve Fund for Vehicle License Fee Tax Relief. This bill would also transfer any remaining moneys in the fund to the General Fund, from which would be paid the rebate portion of the offsets applied against vehicle license fees due before July 1, 2001. This bill would also make an appropriation by providing that, if these transferred moneys are not sufficient for this purpose, then any remaining offsets would be paid from the General Fund.*

*(6) Existing law creates the Cesar Chavez Day of Service and Learning program to promote service to the communities of California in honor of the life and work of Cesar Chavez. Existing law requires the California Commission on Improving Life Through Service, in collaboration with the California Conservation Corps, to administer the program, and authorizes the California Commission on Improving Life Through Service to make grants to local and state operated Americorps and Conservation Corps programs that are created and organized in collaboration with community groups. Existing law annually appropriates \$5,000,000 from the General Fund to fund the grant programs.*

*This bill would reduce the annual appropriation to \$250,000 for the 2002–03 fiscal year. The bill would appropriate those funds to the*



*Governor's Office on Service and Volunteerism instead of the commission.*

*(7) Existing law requires certain periodic payments for long-term rentals (12 months or more), lease purchase financing, long-term leases, lease-to-own payments, vendor financing, and other financing and lease obligations.*

*This bill would appropriate the amounts necessary to make these periodic payments and payments on remaining unavoidable state obligations related to the elimination of programs for state departments whose appropriation authority has been reduced or eliminated due to budgetary reductions.*

*(8) This bill would declare that it is to take effect immediately as an urgency statute.*

*Vote: majority <sup>2</sup>/<sub>3</sub>. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.*

*The people of the State of California do enact as follows:*

1 ~~SECTION 1. — To alleviate the shortfall of state revenues in the~~  
 2 ~~2002–03 fiscal year, it is the intent of the Legislature to implement~~  
 3 ~~reductions in the Budget Act of 2002 with regard to health~~  
 4 ~~programs.~~

5 *SECTION 1. Section 16320 of the Government Code is*  
 6 *amended to read:*

7 16320. (a) Unless otherwise prohibited by law, moneys in the  
 8 State Treasury may be loaned from one state fund or account to any  
 9 other state fund or account to address the 2001–02, 2002–03, and  
 10 2003–04 fiscal year budgetary ~~shortfall~~ *shortfalls*, subject to all of  
 11 the following conditions:

12 (1) The loan is authorized in the 2002 Budget Act, *legislation*  
 13 *enacted in a 2003–04 Extraordinary Session, or the 2003 Budget*  
 14 *Act.*

15 (2) The terms and conditions of the loan, including an interest  
 16 rate, are set forth in the loan authorization.

17 (3) The loan is considered part of the balance of the fund or  
 18 account that received the funds for the purpose of accounting and  
 19 budgeting, including any determination made pursuant to Section  
 20 13307.

(4) The loan is not deducted from the balance of the fund or account from which the loan is made for purposes of calculating a fee or assessment.

(5) A fee or assessment ~~may~~ *is not be* increased as a result of a loan.

(6) Moneys loaned under this section ~~shall~~ *are not be* considered a transfer of resources for purposes of determining the legality of the use of those moneys by the fund or account from which the loan is made or the fund or account that received the loan.

(b) (1) The Director of Finance shall order the repayment of all or a portion of any loan made pursuant to subdivision (a) if he or she determines that either of the following circumstances exists:

(A) The fund or account from which the loan was made has a need for the moneys.

(B) There is no longer a need for the moneys in the fund or account that received the loan.

(2) The Director of Finance shall notify, in writing, the Chairperson of the Joint Legislative Budget Committee within 30 days of ordering the repayment of any of these loans.

(c) On August 1 of each year, the Director of Finance shall report in writing to the Chairperson of the Joint Legislative Budget Committee the balances of these loans as of the preceding June 30. On February 1 of each year, the Director of Finance shall provide an updated report to the Chairperson of the Joint Legislative Budget Committee on the balances of these outstanding loans, as reflected in the preceding Governor's Budget.

*SEC. 2. Section 21682 of the Public Utilities Code is amended to read:*

21682. (a) The department shall establish individual revolving fund subaccounts for eligible airports in the Aeronautics Account in the State Transportation Fund. Money payable under this section shall be credited to individual airport subaccounts annually, and may be accumulated for a maximum period of five years.

(b) The department shall, subject to Section 21684, credit from the Aeronautics Account to each public entity owning and operating an airport or airports under a valid permit issued by the department for every airport which has not been designated by the Federal Aviation Administration as (1) a reliever airport, as

1 defined in Section 503 (a) (19) of the federal Airport and Airway  
2 Improvement Act of 1982, as amended, or (2) a commercial  
3 service airport, as defined in Section 503 (a) (5) of the federal  
4 Airport and Airway Improvement Act of 1982, as amended, the  
5 sum of ten thousand dollars (\$10,000) annually for each qualifying  
6 airport. These funds shall be paid to public entities upon request  
7 for expenditure on preapproved eligible projects. Eligible public  
8 entities may submit applications for the withdrawal of credited  
9 funds for expenditure on proposed projects in letter form to the  
10 department for review and approval. Projects identified shall be  
11 for airport and aviation purposes and operation and maintenance  
12 purposes. No payment made under this section is transferable, but  
13 shall be expended only upon the airport for which the payment is  
14 made, unless the department authorizes a payment to be  
15 transferred for expenditure on another airport owned or operated  
16 by the public entity. The department may establish any accounting  
17 systems it deems necessary to provide for the cumulation and  
18 expenditure of funds under this subdivision.

19 (c) If, in any year, there is insufficient money in the  
20 Aeronautics Account to make the credits specified in subdivision  
21 (b), the department shall, subject to Section 21684, credit to each  
22 public entity subaccount an amount which is equal to the total  
23 amount of money in the Aeronautics Account multiplied by a  
24 percentage equivalent to the proportion which the airport or  
25 airports of the public entity for which credit is required to be made  
26 pursuant to subdivision (b) bear to the total number of airports for  
27 which credit is required to be made pursuant to subdivision (b).

28 (d) No payment shall be made under this section to any public  
29 entity for any airport on which general or commercial aviation  
30 activities are substantially restricted if the airport is licensed to  
31 conduct these activities by the department. The department shall  
32 determine whether or not general or commercial aviation activities  
33 are restricted.

34 (e) The department shall adopt rules and regulations and  
35 establish procedures to effect prompt payment to public entities for  
36 eligible airport projects from money credited pursuant to this  
37 section.

38 (f) *Notwithstanding any other provision of this article, the*  
39 *balance of funds in the Aeronautics Account credited to airport*  
40 *subaccounts pursuant to subdivisions (a) and (b), may be*



1 *transferred, upon appropriation by the Legislature, to the General*  
2 *Fund.*

3 (g) *The credit of funds from the Aeronautics Account pursuant*  
4 *to subdivision (b), shall be suspended for the 2003–04 fiscal year.*

5 SEC. 3. *Section 21683.1 of the Public Utilities Code is*  
6 *amended to read:*

7 21683.1. (a) At the discretion of the commission, any  
8 balance remaining in the Aeronautics Account, after the payments  
9 made under Section 21682, may be used to provide a portion of the  
10 local match for federal Airport Improvement Program grants.  
11 Matching shall be provided only for grants at general aviation  
12 airports, or at airports that have been designated by the Federal  
13 Aviation Administration as reliever airports, as defined in Section  
14 503(a)(19) of the federal Airport and Airway Improvement Act of  
15 1982, as amended.

16 (b) Funds shall not be allocated by the commission until the  
17 federal grant offer is accepted by the public entity. Upon allocation  
18 by the commission, the department may pay a public entity an  
19 amount equal to 5 percent of the amount of a federal Airport  
20 Improvement Program grant. These funds are excluded from the  
21 requirements of Section 21684.

22 (c) Funds shall not be allocated by the commission until the  
23 federal grant offer is accepted by the public entity. Upon allocation  
24 by the commission, the department may, until December 31, 2006,  
25 pay a public entity an amount equal to the 10 percent local match  
26 required for a federal Airport Improvement Program grant for  
27 security projects at small general aviation airports. For purposes  
28 of this section, a “security project” means a project to install or  
29 maintain fencing, gates, security lighting, access controls systems,  
30 and surveillance systems. For purposes of this section a “small  
31 general aviation airport” means an airport with fewer than 80,000  
32 annual landings and take-offs of aircraft.

33 (d) *Notwithstanding any other provision of this article, grants*  
34 *for security projects, as defined in subdivision (c), shall be the*  
35 *highest priority for grants awarded by the commission.*

36 SEC. 4. *Section 10903 of the Revenue and Taxation Code is*  
37 *repealed.*

38 ~~10903. (a) Notwithstanding Section 13340 of the~~  
39 ~~Government Code, there is hereby appropriated from the General~~  
40 ~~Fund the sum of two billion fifty-two million dollars~~

~~(\$2,052,000,000) for transfer by the Controller, upon notification by the Director of Finance during the 2000-01 fiscal year, to the Special Reserve Fund for Vehicle License Fee Tax Relief, which is hereby created as a special fund. The amounts appropriated by this subdivision for transfer to the Special Reserve Fund for Vehicle License Fee Tax Relief shall be expended as follows:~~

~~(1) Eight hundred and eighty-seven million dollars (\$887,000,000) for the payment of additional vehicle license fee offsets for the 2000-01 fiscal year.~~

~~(2) One billion one hundred sixty-five million dollars (\$1,165,000,000) for the payment of additional vehicle license fee offsets for the funding of those transfers required by subdivision (a) of Section 11000 for the 2001-02 fiscal year.~~

~~(b) The Department of Motor Vehicles shall provide both of the following notices to the Controller in connection with each monthly report pursuant to Section 10754.2 of additional vehicle license fee offsets calculated by that department pursuant to that section:~~

~~(1) A notice for each month of the total dollar amount of the additional vehicle license fee offsets calculated by the department during that month pursuant to Section 10754.2.~~

~~(2) A notice of the total dollar amount of the additional vehicle license fee offsets calculated by the department pursuant to Section 10754.2 for the calendar year to the date of each monthly report provided pursuant to Section 10754.2.~~

*SEC. 5. Section 6 of Chapter 213 of the Statutes of 2000 is amended to read:*

*Sec. 6. The following sums are hereby appropriated from the General Fund to be allocated according to the following schedule:*

*(a) (1) Five million dollars (\$5,000,000) to the California Commission on Improving Life Through Service Governor's Office on Service and Volunteerism, on an annual basis, for the purpose of funding grants to local and state operated Americorps and Conservation Corps programs, up to 5 percent of which may be used for state level administration costs.*

*(2) The five million dollars (\$5,000,000) appropriated by this subdivision for the 2002-03 fiscal year is reduced to two hundred fifty thousand dollars (\$250,000).*

*(b) One million dollars (\$1,000,000) to the Superintendent of Public Instruction for the purpose of developing or revising, as*



needed, a model curriculum on the life and work of Cesar Chavez and distributing that curriculum to each school.

*SEC. 6. Notwithstanding Section 13340 of the Government Code or any other provision of law, in order to account for certain budgetary reductions, the amounts necessary to make the following payments on behalf of the state are hereby appropriated without regard to fiscal year from any fund source that is legally available for that purpose, upon certification by the Department of Finance to the State Controller that funds are available from that source to be expended for that purpose:*

*(a) Periodic payments on long-term rentals (12 months or more), lease purchase financing, long-term leases, lease-to-own programs, vendor financing, or any other financing or lease obligations.*

*(b) Payments on remaining unavoidable state obligations related to the elimination of programs, such as payroll and certain contractual operating expenses, for those departments whose appropriation authority for the 2002–03 or 2003–04 fiscal year has been reduced or eliminated.*

*SEC. 7. The appropriation authorized by Section 8 of this act is available for payment of an obligation only if the Department of Finance determines that the appropriation from which that obligation ordinarily would be paid is unavailable or insufficient to make the payments. Within 45 days after the end of each fiscal year quarter in which any payment is made pursuant to this act, the Department of Finance shall report the amounts appropriated pursuant to this act to the Chair of the Joint Legislative Budget Committee, and to the Chair and Vice Chair of the committee in each house that considers the budget.*

*SEC. 8. (a) Notwithstanding any other provision of law, the Special Reserve Fund for Vehicle License Fee Tax Relief is abolished, and any moneys remaining in the Special Reserve Fund for Vehicle License Fee Tax Relief on the operative date of this section are hereby transferred to the General Fund.*

*(b) (1) Those moneys that are transferred pursuant to subdivision (a) shall be allocated by the Controller to the extent necessary to pay those as yet unpaid vehicle license fee offsets required by former Section 10754.2 of the Revenue and Taxation Code, as continued in operation on or after July 1, 2001, by Section 5 of Chapter 5 of the Statutes of 2001.*

(2) If the moneys transferred pursuant to subdivision (a) are not sufficient to fulfill the purposes described in paragraph (1), those as yet unpaid vehicle license fee offsets required by former Section 10754.2 of the Revenue and Taxation Code, as continued in operation on and after July 1, 2001, by Section 5 of Chapter 5 of the Statutes of 2001, shall be paid from the General Fund.

(c) The Department of Motor Vehicles shall provide both of the following notices to the Controller in connection with each monthly report required pursuant to former Section 10754.2 of the Revenue and Taxation Code for additional vehicle license fee offsets calculated by that department pursuant to that former section, as continued in operation pursuant to Section 5 of Chapter 5 of the Statutes of 2001:

(1) A notice for each month of the total dollar amount of the additional vehicle license fee offsets calculated by the department during that month pursuant to former Section 10754.2 of the Revenue and Taxation Code, as continued in operation pursuant to Section 5 of Chapter 5 of the Statutes of 2001.

(2) A notice of the total dollar amount of the additional vehicle license fee offsets calculated by the department pursuant to former Section 10754.2 of the Revenue and Taxation Code, as continued in operation pursuant to Section 5 of Chapter 5 of the Statutes of 2001, for the calendar year to the date of each monthly report provided pursuant to former Section 10754.2 of the Revenue and Taxation Code.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that changes made to the 2002 Budget Act through extraordinary session legislation may be implemented at the earliest possible time, it is necessary for this act to take effect immediately.

O